

DISCLOSURE AND CONFLICTS OF INTERESTS POLICY

Introduction

As a University in receipt of public and other funds, Northumbria University subscribes to the highest standards of corporate governance. The Committee of University Chairs (CUC) *Guide for Members of Higher Education Governing Bodies in the UK* states that the governing body is responsible for ensuring that clear procedures are in place for managing conflicts of interest. This Policy contributes to the delivery of these objectives in providing a framework of responsibilities and reporting by which staff disclose interests which may conflict with those of the University.

The underlying premise of this Policy is that all members of the University community from Governors through to staff have a duty to avoid conflicts of interest, and a responsibility to identify and disclose actual, potential or perceived conflicts between their personal, family, pecuniary or business interests and their professional responsibilities to the University. The Policy provides a framework to protect both the University and employees through the management of conflicts of interest.

Section A: Policy Statement

- A1 Northumbria is a research-rich, business-focussed professional University. To support this it encourages staff to engage in a wide variety of business and engagement, research and innovation activities. These might include serving on regional, national or international bodies or participating in, leading or advising on consultancy and research and development projects. These activities are considered core contributors to the University's Vision 2025 and Corporate Strategy 2013-18, and also to the University's contribution to the wider public interest. The protection of both the University and individuals through a framework for the management of conflicts of interest, whether perceived or actual, is therefore key.
- A2 Conflicts of interests which are not carefully managed have the potential to undermine the achievement of the University's Corporate Strategy 2013-18 and longer-term Vision 2025. The open and careful management of conflicts of interest support:
- [i] the University entering relationships and partnerships which are commercial or otherwise across its academic, research and business activities in the confidence that these do not conflict with legitimate personal interests
 - [ii] the safeguarding of the University's assets, resources and reputation, particularly in making good use of public funds and furthering the University's charitable aims
 - [iii] a culture of transparency, accountability and integrity, as core values the University wishes to uphold.
- A3 The disclosure of interests is intended to balance the protection of employees from exposure to, or allegations of, wrongdoing with the safeguarding of the University from legal claims, reputational damage or financial loss. The University seeks to adopt a proportionate and fair approach to the management of conflicts of interest. It is anticipated that the majority of

activities or associations which overlap, or could be seen to be at odds with, the personal interests of staff and the interests of the University can continue to operate as normal, in the confidence that they are properly understood and managed through effective disclosure.

Section B: Definitions and Legislative and Regulatory Context

- B1 There is no strict legal definition of an ‘interest’, and it should therefore be considered as a broad term which includes any activity or association which may interfere, or be perceived to interfere, with an individual’s ability to properly discharge his/her duties to the University. Interests relate to property, resources, relationships, information or opportunities and are often ‘financial’ or ‘non-financial’ in nature, which may mean that an individual or associated person may stand to gain a benefit or suffer a loss, whether directly or indirectly, as a result of holding the interest. Interests which generally would require disclosure include the following:
- financial interests refer to anything of non-trivial monetary value, including, but not limited to, pay, commission, consultancy fees, equity interests, forgiveness of debt, property, royalties, intellectual property rights;
 - non-financial interests refer to any non-financial benefit or advantage, including: enhancement of an individual’s career, education or professional reputation; access to privileged information or facilities, personal and family connections or associations which could affect or influence the individual’s University role.
- B2 A ‘conflict of interest’ may be defined as a situation where an individual can be perceived or known to be prevented from acting in the best interests of the University as a result of a relationship with a person or another body or organisation, or where the individual personally benefits, or is perceived to benefit, from an activity, opportunity or transaction. In some cases it may not be clear that there is an obvious benefit, but nevertheless others could perceive or judge that impropriety has occurred as a result of the individual’s interest.
- B3 Interests that staff members or contractors (see C9-10) in the following areas would almost always be expected to be disclosed:
- Executive and Non-Executive directorships, governorships, trusteeships
 - Public Appointments
 - Services for personal use from people or companies who do business with the University
 - Shareholdings or other form of equity investment in a company in which the individual is an employee, partner, director, or owner
 - Other financial interest in a company in which the individual is an employee, partner, director, or owner.
 - Licensing of Intellectual Property
 - External Work/Consultancy outside the University
 - University Management/Board or Committee decisions or resolutions
 - Gifts and Hospitality
 - Assessment of Students
 - Close family or personal links in any of the above (see B3 below)

- Personal relationships with work colleagues (past, present and future)
- Personal relationships with students (past, present and future)

Related Parties

- B4 'Related Party' and 'Related Party transactions' are terms used in financial reporting and accounting to draw attention to the fact that the financial position and profit or loss of an organisation (the University) has been affected by the existence of related parties and by transactions and outstanding balances with such parties. The majority of staff who are required, or who decide to complete an entry in the University's Register of Interests are unlikely to be considered a 'related party' according to the technical meaning of the terms, e.g., having control, joint control, significant influence or being key management personnel of the reporting entity.
- B5 However, we ask staff completing an entry in the Register of Interests to disclose any relationships with individuals or bodies that they or a member of their close family or friends have with the University, of which they are aware. Further information on related party disclosures is provided in a separate document which accompanies this Policy.
- B6 The notion of family and personal interests is not a clearly defined area. For example, it would not be expected that all staff disclose family links or friendships formed with former or current University employees, or bodies linked to the University. However, a Governor or senior officer of the University with significant actual or perceived influence would be expected to disclose such an interest. In many cases it is more likely that a member of staff may have a family or other personal connection with an individual who has a financial or non-financial interest in an individual, body or organisation with which the University has had, has or intends to have a relationship. For example, the partner of staff member serving on the Board of an organisation with which they University partners, or holding equity in a company with which the University contracts, would be deemed to constitute an interest.

Legislative and Regulatory Context

- B7 The University is a Higher Education Corporation (HEC) under the terms of the Education Reform Act 1998. Whilst it is not directly subject to UK company legislation, many of the tenets of company law in relation to the conflicts of interest are applicable to senior staff and the wider University community. As an exempt charity, the University is also subject to charity legislation, overseen by HEFCE as 'principal regulator' of HEIs. On this basis, the University's Board of Governors as its 'Trustees', as well as senior management and the wider staff base are entrusted to uphold the charitable objectives of the University.
- B8 Following the Bribery Act 2010, the operation of an effective system for disclosure, maintenance and review of interests is a key component in supporting a defence by the University that it has adequate procedures in place to counter bribery, fraud and corruption.

- B9 The 'Honesty' strand of the 'Nolan Principles of Public Life' states that 'holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest'. Whilst the holding of 'public office' is potentially most relevant to Governors, the University Executive and other senior officers of the University, the principle is one which the University would expect all staff to abide by, irrespective of the public duty dimension of their role.

Section C: Roles and Responsibilities

- C1 All members of staff of the University have a duty to avoid conflicts of interest. This includes a responsibility to report known, potential or perceived conflicts. However, specific sections of the University community have distinct duties and responsibilities which are mapped out below.

Board of Governors

- C2 The Board of Governors has distinct duties in relation to conflicts of interest, including a responsibility for ensuring that University procedures are in place for managing conflicts of interest are in place under the Board's Statement of Primary Responsibilities.
- C3 In turn, whilst the University is not directly subject to company legislation, the role of members of the Board of Governors is akin to the duty of directors in the Companies Act 2006 to avoid conflicts of interest. In addition to this the Board of Governors are 'trustees' under the supervision of HEFCE as 'principal regulator' under UK charity legislation. As trustees in a position of 'trust', Board members are prohibited from receiving any benefit directly or indirectly in return for their services or otherwise unless explicitly authorised under the University's Instrument and Articles of Government.
- C4 In addition to being required to complete an annual Register of Interests which is publicly available, all Governors are also asked to comply with a request for ad hoc disclosure of interests as a standing item on the agenda of Board and Committee meetings.

University Executive

- C5 Members of the University Executive are likely to be at higher risk of exposure to individuals or scenarios in which fraud, bribery or corruption is more likely to occur. As highlighted in the Code of Conduct for member of the University Executive (2012), members of the Executive are expected to avoid conflicts of interest in all circumstances, abide by the Nolan Principles of Public Life and promote transparency and integrity as part of their leadership role.

Senior Staff

- C6 As stated in Section D below, staff of a sufficient level of seniority in the University including Heads of Department and Directors of Services will also be required to disclose interests following an annual request, supplemented by ad hoc disclosures as interests arise or are amended. Senior staff also have a

leadership role to play in promote the importance of disclosing interests and support staff accordingly in doing so. Senior Staff would be expected to be a first point of contact for staff in their areas of responsibility in helping to assess a particular activity or scenario on the grounds of an actual or potential conflict of interest. They should do this in consultation with colleagues, the Head of Governance or nominee and with reference to this Policy.

All Staff

- C7 All employees of the University are considered to be in a position of trust by virtue of their employment with the University. All staff therefore have a responsibility to identify and disclose known or potential personal, family, pecuniary or business interests which may interfere, or be perceived to interfere, with an individual's ability to properly discharge his or her duties to the University.
- C8 For the purpose of academic staff in particular, it is important to note that 'academic freedom' does not overrule the duty of fidelity owed by an employee to the University, nor should it give rise to a conflict of interest.

Contractors and external bodies

- C9 Those individuals or bodies bidding (through competitive tender or otherwise) to enter into a contractual relationship with the University, whether consultants, service-providers or suppliers are regarded to be in a position of trust and therefore have a duty to disclose interests with a potential to impact on their independence. This includes, for example, the University's internal and external auditors who are obliged to avoid personal and professional conflicts of interest, including ensuring that any non-core audit work undertaken does not compromise the integrity and independence of the core audit focus, investigation and findings. This is also important in respect of being clear about their reliance on each other's work and acting with due care.
- C10 Staff responsible for the negotiation and approval of contracts with external bodies, service providers and suppliers (e.g., Procurement and Legal Services) would need to ensure that contractors are reminded of their duty to disclose interests, and the need for the management of conflicts of interests through this Policy. Contractors and External bodies would be asked to disclose through the Register of Interests. Where, for any reason, this is not practical, disclosure should be made through the University staff member responsible for negotiating and the contract, who will ensure that the interest is recorded.

Section D: Scope - What and who is covered?

- D1 Areas of activity in which conflicts of interest may arise include, but are not limited to those identified in B2 and B3 above. The list is not exhaustive, but covers the key areas in which individual and University interests could be overlap or be in opposition with one another.
- D2 In keeping with a proportionate approach, this Policy does not make disclosure of interests compulsory for all members, through a requirement to complete of an entry in the Register of Interests.

D3 However, in addition to the Board of Governors and its order to meet its obligations under the Bribery Act 2010 and related legislation, it has been agreed that the following groups and categories of staff should complete a disclosure:

- University Executive
- Senior Management Group
- Faculty Executive Groups
- All other Academic and Professional Services staff on Grades 9 (Professoriate, Heads of Departments and Services) and a limited number of Grade 8 staff, particularly those in external facing roles
- Staff at Grade 7 and above occupying specific roles susceptible to exposure: Credit Control, Payroll, Procurement, formation, renewal and renegotiation of contracts and bids in Legal Services, Research and Business Services, Campus Services, Governance Services, International Office Staff.

Refusal to, or conscious avoidance of, disclosure of interests by staff in the categories above, (even where the disclosure would constitute a 'Nil' Return) may be treated as a disciplinary matter and a breach of the Staff Code of Conduct.

D4 In addition, there is a requirement for prospective Governors or future senior employees of the University to disclose interests at the point of application. Individuals will be required to do so through standard application channels rather than through use of the online Register.

D5 Whilst other employees, contractors, service-providers are not required to complete an entry in the Register of Interests, this does not remove the responsibility and duty of staff to disclose interests where there is an actual, potential or perceived conflict of interest, using the format and route prescribed by the University.

D6 The same online system will be used for staff to record ad hoc entries in relation to Corporate Gifts and Hospitality issued and received.¹

Section E: How to make disclosures of interests

E1 Disclosures of Interests should be entered using the online system developed by the University. Pending the development of the online system such disclosures are to be directed to the Head of Governance:

Georgina Bailes- georgina.bailes@northumbria.ac.uk

Access to the survey/register will be promoted to all staff and accessible on a year-round basis to enable submission for staff for whom disclosure is

¹ At present local registers of Corporate Gifts and Hospitality are maintained under Section B2(b) of the Corporate Gifts and Hospitality Policy.

² Document was updated on 11/08/2020 to remove out of date contact information.

mandatory or voluntary disclosures under this Policy. Inputting of disclosures will be automatically processed and stored on a secure server accessible only by the Head of Governance and nominated officers.

- E2 A targeted invitation for Governors and the staff groups identified in D3 above will be issued on an annual basis by the Head of Governance, who will issue guidance and a deadline by which the relevant staff will be required to disclose interests. The composition of the staff groupings identified in D3 will be periodically reviewed to ensure that coverage is accurate.
- E3 For the majority of staff for whom disclosure is voluntary, information on access to the online system will be communicated through a number of channels, to ensure staff have information on how and when to disclose, access to this Policy.
- E4 Disclosures will be periodically reviewed by colleagues in Governance Services. Clarification or further information may be requested by Governance Services staff based on submissions made. This will assist in the identification of potential or actual conflicts of interest.
- E5 There is a requirement for the Registers of interests of Governors and senior staff to be published under the new Model Publication Scheme for the HE sector. Whilst such registers can be redacted to remove personal or sensitive information, we cannot exclude the possibility of releasing specified information which is subject to a Freedom of Information (Fol) request. It may be appropriate for a line manager of an individual of sufficient seniority to be granted access to data relevant to their staff, particular in circumstances instances where a potential or known conflict scenario exists. Data would be made available in confidence for internal audit or other investigative purposes.

Section F: Consideration and management of conflicts of interest

- F1 The majority of interests disclosed are not likely to give rise to conflicts between disclosers and the University. Many actual, potential or perceived conflicts of interests will be minor, and will not relate to a major financial or non-financial activity related to the individual or the University. Staff wishing to report an actual, potential or perceived conflict of interest relating to themselves or to another staff member are encouraged in the first instance to consult with their line managers for further advice. The line manager or individual may then seek independent informal guidance from the Head of Governance or nominee to aid with an assessment of the significance of the conflict.
- F2 Where significant conflicts of interest are identified through considered assessment, as covered in F1 above, it is important that these are managed, resolved and waived as a priority. Where an individual or another person has identified a perceived, actual or potential conflict of interest, reliance should *not* be placed on recording this through the online system, but should be reported directly to the Head of Governance as a priority where this has not already occurred.
- F3 Relevant information and evidence should be supplied to the Head of

Governance where an interest is disclosed which is considered to be an actual, potential or perceived conflict. The Head of Governance or nominee will seek further clarification where required from the discloser in the first instance, and may call on further information from other interested parties, informing the individual making the disclosure or the subject of the disclosure that this will occur. In rare circumstances where a disclosure is made by a third party and where there is reasonable suspicion of impropriety or wrongdoing requiring investigation, the individual holding the interest may not be notified of the investigation at the fact-finding stage of the process.

- F4 In most cases, for low significance or low impact conflicts, it is expected that the interest held by both the individual and the University can continue to operate as normal, in the confidence that the interest has been properly managed and understood by all parties. The approach adopted to manage the conflict should be documented with evidence that the conflict has been appropriately managed or resolved. Details of the interest and any action taken should be logged on the staff member's file and recorded on a central log maintained by the Head of Governance.
- F5 Where a straightforward route for the management of a significant conflict of interest has not been identified, the Head of Governance will undertake the following two activities:
- [a] seek the advice of the relevant line manager and other stakeholders in determining whether the conflict of interest may be authorised;
 - [b] invite both one member of the University Executive and one additional member of the Senior Management Group or the Chief Legal Officer, who does not have any connection or association with the individual or activity, to make an independent assessment and a recommended outcome based on F6 below.
- F6 The following recommendations may be made as an outcome of the assessment of the conflict:
- [a] to waive (authorise) the conflict of interest with no amendments to the nature or extent of the individual and University's involvement in the activity;
 - [b] to waive (authorise) the conflict with specific adjustments to the interest on the part of the individual to mitigate the actual, potential or perceived conflict;
 - [c] to request that the individual extricates themselves or withdraws from the interest which has brought rise to the conflict.
- F7 The Head of Governance will confirm the outcome of the independent review within five working days from the point at which all relevant information has been provided. Where a meeting is required to discuss the outcome with the individual disclosing the interest this will be convened as soon as practicable. The individual will be entitled to bring a friend or trade union representative to this meeting should they wish to do so.
- F8 In the circumstances of F6 [b] and [c] above, the individual concerned will be required to confirm that they have met the conditions requested to mitigate or eliminate the conflict of interest. Failure to do so will be considered a disciplinary matter and dealt with accordingly.

- F9 As noted, the timely reporting of conflicts of interest which are actual, potential or perceived is critical in order to mitigate any risks or exposures which the conflict may bring about. A significant conflict which has not been disclosed and later comes to light will be dealt with as a priority. Non-compliance with this Policy on this basis may be considered a disciplinary matter, particularly where the delay has exposed the University or its staff to actual or potential risk, damage or loss.
- F10 An appeal of a decision can be made to the Vice-Chancellor and Chief Executive in respect of all decisions (other than in relation to personal conflicts of the role-holder or Governors) where the appellant considers the decision to be incorrect, inappropriate or inconsistent with this Policy, related policies or legislation. An appeal will be considered under the following authority:
- [i] the Vice-Chancellor and Chief Executive for all staff members and those contracting with the University;
 - [ii] the Chair of the Board of Governors for the Vice-Chancellor and Chief Executive and Board members.
 - [iii] the Senior Independent Governor (SIG) in respect of interests of the Chair of the Board of Governors.
- F11 The appealing authority may confirm, rescind, reverse or modify the recommendation made under F6. The appeal decision is final.

Related Policies

Other relevant policies linked with this Policy include:

- a. Financial Regulations
- b. Corporate Gifts & Hospitality
- c. Public Interest Disclosure (“Whistleblowing”) Policy
- d. Reportable Incidents Policy
- e. University Executive Code of Conduct
- f. Staff Code of Conduct
- g. Code of Professional Conduct – Relationships at Work
- h. Disciplinary Procedure (Staff)

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